(Rs. in crores)

year	BE	RE	Actuals
2002-2003	18881.09	12808.66	12938.64
2003-2004	18066.71	14568.65	14583.76
2004-2005	26840.05	27255.94	27208.57

(c) Defence Services prepare Long Perspective Plan in tandem with the five year's Defence Plan, from which the Annual Acquisition Plan for the Services is carved out. During the current financial year, *i.e.* 2005-2006 an amount of Rs. 26991.51 crores has been allocated for Capital Acquisition. These plans form the basis of the budgetary projection. The progress of Defence expenditure and the status of ongoing/new schemes is kept under constant review.

(d) The modernization of Armed Forces is an on-going process and acquisition plans are prepared keeping in view the national security threat preceptions. Our Forces are operationally prepared and worthy of facing any Challenges.

Commercial autonomy to PSEs and ordanance units under MoD

766. SHRI SANTOSH BAGRODIA:
SHRI HARISH RAWAT:

Will the Minister of DEFENCE be pleased to state:

(a) whether Government are considering giving more commercial autonomy to the PSEs and ordanance units under the Ministry;

(b) whether Government has received the recommendations of the Kelkar Committee on the issue;

(c) what are the major recommendations of the Kelkar Committee;

(d) whether the Kelkar Committee has also made recommendations regarding the management of PSEs;

(e) whether Government has finalized its views on those recommendations;

(f) if so, the details of government's view on the Kelkar Committee's recommendations; and

(g) how long will it take for Government to finalise the plan of action to implement those recommendations?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI B.K. HANDIQUE):(a) to (g) The Kelkar Committee in Part II of its Report submitted to the Government on 10th November 2005 has

recommended more operational autonomy to the Defence-PSUs and corporatization of the Ordanance Factories. The focus of the recommendations made by the Committee is on the following:

(i) Bring in changes in management enabling the Ordanance Factories and Defence PSUs to have greater freedom and to become global players in Defence Production and be able to effectively perform the role of designer and integrator of large systems and platforms, enabling them to build consortium of industries around them for product development and production.

(ii) Give greater freedom to Defence PSUs to form joint ventures, consortiums and to do cross investment in foreign companies for the purpose of obtaining technology.

(iii) Adopt Vendor Development policies in all Defence PSUs on the lines currently being followed by HAL.

(iv) Inject greater professionalism in the organization of Directorate General of Quality Assurance (DGQA) for effective quality assurance in manufacturing, largely involving process audit and quality surveillance work.

The recommendations made by the Committee are under examination of the Government. Government will take a final view only after the examination of the recommendations is completed.

Armed Forces Tribunal

767. SHRIMATI MAYA SINGH:
SHRIMATI N.P. DURGA:

Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that the long standing demand of the armed forces to have Armed Forces Tribunal has been cleared by the Government;

(b) if so, what are the terms of reference given to the proposed Tribunal;

(c) whether the cases of armed forces personnel pending in various High Courts are going to be transferred to the proposed Tribunal; and

(d) if so, the details thereof?

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): (a) The Government has taken a decision for setting up of the Armed Forces Tribunal.